

# Moderating Role Of Green Incentives In Reducing The Intention–Behaviour Gap In Consumer Green Consumption

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## Abstract:

**Purpose:** The study aims to explore the intention–behaviour gap in green consumption by examining how green incentives influence the relationship between consumers' attitudes, green purchase intentions, and actual purchasing behaviour. The research seeks to determine whether green incentives can effectively encourage consumers to translate their intentions into sustainable purchasing actions.

**Methodology:** A quantitative research design was employed, using structured surveys to collect data from a sample of consumers familiar with green products. The study applied statistical techniques to assess the impact of green incentives as a moderating variable between green purchase intention and behaviour. The relationships were analysed using regression analysis to validate the proposed hypotheses.

**Findings:** The results indicate that green incentives significantly strengthen the relationship between green purchase intention and actual behaviour. Consumers with positive attitudes toward environmentally friendly products are more likely to act on their intentions when provided with appropriate incentives, thereby reducing the intention–behaviour gap.

**Originality:** This research contributes to the existing body of knowledge by highlighting the moderating role of green incentives in fostering sustainable consumption. It provides actionable insights for policymakers, marketers, and environmental organisations seeking to promote eco-friendly purchasing behaviour through incentive-based interventions.

**Keywords:** Green consumption; Intention–behaviour gap; Green incentives; Sustainable consumer behaviour; Environmental attitudes

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## 1. INTRODUCTION:

In today's world, the concept of sustainability has risen to prominence, becoming a central theme in the vast majority of contemporary studies concerning consumer behaviour. Over the past two decades, India has made remarkable strides in terms of economic growth, a feat largely attributable to its progressive policies, which have embraced open trade and fostered the development of financial markets (Sreen et al., 2018). This impressive economic expansion, however, has not come without its drawbacks. In fact, one of the significant negative outcomes of such rapid growth has been the noteworthy degradation of the environment. As the nation continues to progress and expand, the consequences of environmental negligence are becoming increasingly apparent, leading to a series of pressing ecological challenges.

As concerns surrounding these environmental issues continue to grow, there is an observable shift in public focus. A rising number of individuals are now turning their attention toward sustainable development, recognising the imperative to safeguard not only the environment but also the well-being of society as a whole. This movement underscores a collective awareness of the interplay between economic activity and environmental preservation as people seek solutions that will promote sustainability while addressing pressing social needs. Emphasising sustainable practices has never been more crucial, as it is essential for ensuring a viable future for generations to come, balancing economic interests with ecological stewardship and social responsibility.

Within this evolving landscape, businesses are finding themselves in a pivotal position where they must actively participate in implementing strategies that align with social and environmental responsibilities (Hameed et al., 2021; Laheri et al., 2024). As they adapt to these changing expectations, the ways in which they engage consumers and promote environmentally friendly practices are becoming critical aspects of their operations. Although numerous factors influence consumers' green behaviour, the current study aims to shed light on green incentives to drive consumers towards sustainable consumption practices. Green incentives can serve as powerful tools for businesses seeking to not only promote green consumption behaviours but also to predict and better understand the motivations behind them. By effectively leveraging green rewards, businesses can create a compelling framework that encourages consumers to embrace more sustainable practices in their consumption choices.

Green Human Resource Management (GHRM) represents a progressive approach to organisational management that emphasises environmentally responsible practices in human resources. Within this framework, the implementation of a structured system for green incentives and compensation plays a crucial role in motivating employees to align their work behaviours with the organisation's environmental standards. As highlighted by Jabbour et al. (2013), these green incentives are designed to recognise and incentivise employees who actively contribute to sustainable practices and uphold ecological values within the workplace.

These green incentives and compensation methods are multifaceted, aiming to attract and retain a workforce committed to the organisation's environmental objectives and motivate employees to support these goals actively. Non-monetary incentives—such as recognition programs, additional vacation days for eco-friendly practices, and opportunities for sustainable professional development—complement monetary rewards. According to Hameed et al. (2022), a blend of incentives can significantly enhance employee engagement and promote a corporate culture centered around sustainability. Despite the positive potential of green reward systems, there remains an ongoing debate regarding the extent to which these rewards can effectively alter employees' behavioural patterns towards sustainability. Chaudhary (2020) discusses the varying degrees of impact that such rewards have on employee engagement and motivation concerning environmental initiatives, yet this remains a topic that warrants further exploration.

There is a noticeable gap in the literature that has thoroughly investigated the concept of green incentives as a precursor to influencing consumer green behaviour. This concept generally involves providing incentives or benefits to consumers for making environmentally friendly choices, such as opting for sustainable products or participating in eco-conscious activities. As Peattie & Peattie (2003) articulated, these consumer incentives are vital in promoting an overall culture of sustainability. Understanding how green rewards can shape consumer behaviour is essential for organisations aiming to expand their sustainability initiatives beyond internal practices and into the marketplace, ultimately fostering a greener economy and more responsible consumerism. Thus, the present research examines the moderating role of green incentives between green purchase intention and green purchase behaviour for sustainable products.

## 2. THEORATICAL REVIEW

The Theory of Planned Behavior (TPB) by Ajzen (1991) is a crucial framework for understanding consumer behaviour in environmental psychology, emphasising the role of intentions shaped by attitudes, perceived behavioural control, and subjective norms (Moon et al., 2023). Research highlights a positive correlation between consumers' attitudes and their intent to purchase green products, with subjective norms and perceived behavioural control being key predictors of such behaviour (Laheer 2025; Yeo et al., 2023). Despite advancements in TPB research, there remains a gap in its application to environmentally influenced behaviour, as many studies focus on non-environmental aspects. This study advocates enhancing the TPB to better incorporate green incentives as a moderator between green purchase intention and green purchase behaviour.

### 2.1. *Consumer Attitude towards Green Products*

Attitude plays a crucial role in shaping consumer behaviour and refers to the positive or negative evaluation of performance associated with a person's typical behaviour, as noted by Ajzen (1991). In the context of environmental considerations, attitudes can manifest in a green manner, which reflects a person's assessment of subjects related to the environment, such as eco-friendly products or sustainable practices. Research indicates that consumers' attitudes towards green products positively correlate with their intention to purchase these items across various product categories. Specifically, studies focusing on organic food products have demonstrated a significant association between consumers' attitudes and their purchase intentions, highlighting how positive perceptions can drive purchasing decisions (Zhou., 2018). Similar findings have been observed in other sectors, including beverages, where positive consumer attitudes lead to increased purchasing behaviour (Birgelen et al., 2011), as well as in the realm of energy-efficient products, where an affirmative attitude corresponds with a higher likelihood of purchase (Durif et al., 2012).

Given the critical role that consumer attitudes play, especially in relation to engagement with green products, various studies support the notion that these attitudes directly influence consumer engagement and participation in sustainable practices (Moorthy et al., 2021). This underscores the importance of fostering positive attitudes not only to enhance consumer engagement but also to promote sustainable consumption behaviours. Therefore, this study proposes that:

*H1: Consumer's attitude positively influences green purchase intention.*

## 2.2. Consumer Intention towards Green Products

Green purchase intention refers to the likelihood that consumers will prefer eco-friendly products over traditional ones when making buying decisions (Barber et al., 2012). This preference develops based on expected positive or negative experiences and influences, which can stem from personal factors or external social dynamics (Ali et al., 2023). Purchase intentions also involve motivational elements that encourage consumers to buy green products (Ramayah et al., 2010). They indicate how ready a person is to try or how much effort they are willing to put in to engage in this behaviour (Laheri, 2020; Soon & Kong, 2012). Essentially, stronger intentions to perform a specific action correlate with a higher likelihood of actually carrying out that behaviour (Ajzen, 1991). Various studies, including those conducted in emerging and developing economies, affirm the positive relationship between green purchase intentions and green purchasing behaviour (Jaiswal & Singh, 2018; Laheri & Malik, 2021). Based on the findings of the previous studies, we hypothesised:

*H2: Consumer's purchase intention positively influences green purchase behaviour.*

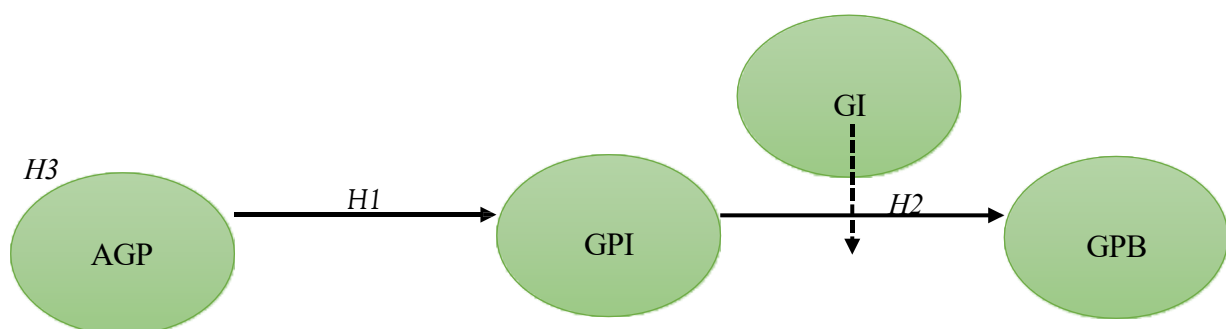
## 2.3. Green Incentives

Blau (1964) proposed the concept of social exchange theory, which suggests that human interactions are based on a cost-benefit analysis where individuals feel a sense of obligation to reciprocate when they receive rewards. This principle indicates that when individuals receive positive reinforcement for certain behaviours, it fosters an environment where they are more inclined to return the favour in a similar manner. In the context of environmental sustainability, this theory implies that if individuals engage in environmentally responsible behaviours and are rewarded for these actions—be it through recognition, incentives, or other positive reinforcements—they are more likely to adopt and maintain these behaviours over the long term. As highlighted by Ahuja et al. (2023), when people receive acknowledgement or benefits for their environmentally conscious actions, they feel a moral and social obligation to not only maintain their efforts but also to enhance their commitment to protecting the environment, possibly inspiring others to follow suit and creating a more widespread culture of environmental stewardship. Thus, the study proposes the moderating effect of green incentives on purchase intention and purchase behaviour for green products.

*H3: Green incentives moderated the relationship between green purchase intention and green purchase behaviour.*

The conceptual framework of the research is presented below in Figure 1.

**Figure 1:** Conceptual Framework



Source: Author

**Note:** AGP: Attitude towards green products. GPI: Green purchase intention. GPB: Green purchase behaviour. GI: Green Incentives

## 3. RESEARCH METHODOLOGY

### 3.1. Measurement Scale

The measurement scale of the research has been taken from the validated scale of previous studies. The three-item scale of attitude towards green products has been taken from Sharma & Gadenne (2014). Further, the three-item scale for green purchase intention and green purchase behaviour has been adapted from Bolton & Drew (1991) and Schlegelmilch et al.

(1996) respectively. Finally, the three-item measurement scale of green incentives has been adapted from Qureshi & Mehraj (2022). The preliminary adaptation of existing scales provided a foundation for in-depth discussions among four experts—two from academia and two from industry—which resulted in enhancements during a pretest aimed at establishing content validity.

### 3.2. Sampling

Data collection involved cluster sampling targeting consumers in the Delhi-NCR area. As India's capital, Delhi showcases a blend of diverse cultures, languages, lifestyles, and traditions, resulting from migration across the country. Additionally, it ranks as the second most populous city globally. The population was categorized into nine clusters based on the districts of Delhi-NCR: North, South, East, West, North-west, North-east, Central, New Delhi, and South-west, as identified by the National Informatics Centre, India. Within each district, shopping malls featuring retail stores that sell both green and non-green products were chosen using a simple random sampling method. Data was initially gathered from 30 consumers and evaluated through a pilot study to confirm face validity. This process resulted in minor adjustments to enhance clarity and simplify questions before administering the final questionnaire to the main sample. Participation was fully voluntary, and no incentives were offered.

## 4. RESULTS

### 4.1. Profile of respondents

Table 1 displays the demographic profile of participants. The majority were female, aged 25 to 40 years, with a monthly family income exceeding \$700, and were primarily graduates.

**Table 1: Demographic profile of respondents (n=562)**

Demographics	Frequency	Percentage
<i>Gender</i>		
Male	190	34
Female	372	66
<i>Age (in years)</i>		
Below 20	93	17
20-35	219	39
36-50	132	23
Above 50	118	21
<i>Monthly Family Income (in US \$)</i>		
Below 300	67	12
300 – 450	118	21
451 – 600	146	26
Above 600	231	41
<i>Education</i>		
High school	101	18
Undergraduate	298	53
Postgraduate	163	29

Source: Primary Data

### 4.2. Direct Effect

Process macro was used to investigate the direct influence of attitude towards green products on green purchase intention (H1) and green purchase intention on green purchase behaviour (H2). Regression analysis was conducted, and the results are presented in Table 2 below.

**Table 2: Hypothesis Testing – Direct Effect**

Relationship	Standardised beta ( $\beta$ )	Outcome
H1: AGP $\rightarrow$ GPI	0.457***	Supported
H2: GPI $\rightarrow$ GPB	0.409***	Supported

Source: Primary Data

Note: \*\*\* p < 0.001, \*\* p < 0.01 and \* p < 0.05. AGP: Attitude towards green products. GPI: Green purchase intention. GPB: Green purchase behaviour

### 4.3. Moderation Effect

Green incentive is examined as a moderator between green purchase intention and green purchase behaviour. An interaction effect was analysed using the Hayes Process Macro (Model 1) to examine the moderation of green incentives on green purchase intention and green purchase behaviour and the results

are presented in Table 3 below.

**Table 3: Hypothesis Testing – Interaction Effect**

Relationship	Standardised beta ( $\beta$ )	p-value	Outcome
H3: GPI $\times$ GI $\square$ GPB	0.0739**	0.0047	Interaction is present

**Source:** Primary data

**Note:** \*\*\*p < 0.001, \*\*p < 0.01 and \*p < 0.05. GPI= Green purchase intention. GI= Green incentives. GPB=Green purchase behaviour

## 5. DISCUSSIONS AND CONCLUSIONS

The present research offers insightful contributions which can be helpful for academicians and partitioners. The current section presents theoretical and managerial implications.

### 5.1. Theoretical Implications

The outcome includes specific additions to the existing field of knowledge. Upon theoretical review, it has been observed that many studies reported a positive influence of attitude on intention while purchasing green products. However, there is a low to weak association between transforming intention to actual behaviour for the purchase of green products. The current research introduces a new variable - *green incentives* as a moderator to strengthen the relationship between green purchase intention and green purchase behaviour. Thus, it adds to the literature on how to lower the intention-behaviour gap in green consumerism.

### 5.2. Managerial Implications

The study provides insights for green marketers and policymakers aimed at fostering favourable consumer attitudes and behaviours regarding green purchasing. *Firstly*, the study shows green marketers can more effectively encourage eco-friendly purchases by offering targeted incentives instead of relying solely on pro-environmental messaging, which may fail to convert positive attitudes into actual sales. Offering green incentives for buying eco-friendly products can encourage consumers to adopt sustainable habits and foster a pattern of repeat purchases. This can be achieved by providing special promotions, including free samples of eco-friendly products, discounts on sustainable items, or rewards points and coupons for recycling efforts. *Secondly*, the current research offers insights to marketers to collaborate with the government to provide tax incentives – such as road tax incentives, registration charges incentives when purchasing electric vehicles, or subsidies for the installation of solar panel at home to consumers. This collaboration can motivate consumers to buy these sustainable green products. *Lastly*, the present research is aligned with the United Nations Sustainable Development Goals 12 to promote advancement in sustainability.

## 6. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

The present research has taken data from the Delhi-NCR region, and the results of the study cannot be generalised. Future researchers can gather data at the national level for generalisation of the results. *Secondly*, the research has not taken any specific green products category, and future researchers can compare the consumer behaviour for various categories of green products. *Lastly*, this research is cross-sectional; therefore, it cannot capture the minimal shifts in consumer preferences over time. Consequently, future researchers may employ a longitudinal study design to investigate the evolution of these factors over time.

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